

EXHIBIT A

1
2
3
4

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

5 US SECURITIES AND EXCHANGE : Civil Action No:
6 COMMISSION : 11-Civ-9645-RJS (S.D.N.Y.)
7 Plaintiff :
8 -v- :
9 ELEK STRAUB, :
10 ANDRAS BALOGH, and :
11 TAMAS MORVAI :
12 Defendants :
13 :
14

DEPOSITION

15 OF

16 DR. ADAM FARKAS

17 On Tuesday, October 7th 2014

18 Commencing at 9:38 am

19 Taken at:

20 White & Case LLP
21 5 Old Broad Street
22 London
23 EC2N 1DW
24 United Kingdom

25 Reported by: Miss Pamela Henley

Job No: 84988

1 Dr Adam Farkas

2 Q. And you said that Mr Dodge
3 discussed with you this case; what did he tell you
4 about this case?

5 A. He just basically told me that the
6 SEC is pursuing a civil litigation, a civil claim
7 against three officials, former officials, I am
8 sorry, former officials of Magyar Telekom;
9 Elek Straub, Andras Balogh and Tamas Morvai.

10 Q. Did Mr Dodge provide any documents
11 to you during that first meetings?

12 A. In the first meeting I do not
13 recall that I did see any particular documents.
14 So I think that was it. Subsequently to that he
15 provided me with a draft letter he was trying to
16 contact Klaus Hartmann with, but there was no
17 follow up to that because I could not tell where
18 Klaus Hartmann worked.

19 Q. And did you discuss with Mr Dodge
20 at the first or second meeting what your testimony
21 would be today? Did you go over the topics that
22 you would discussing?

23 A. Not in the first and second
24 meeting. In the meeting we had yesterday he
25 provided me with an outline of what documents he

1 Dr Adam Farkas

2 would use in the testimony and, sort of, a broad
3 outline of what subjects, or what topics are
4 interesting from the SEC's perspective.

5 Q. Do you still have that document?

6 A. Well, I got these documents of the
7 case and I got a, sort of, two pager via counsel.

8 Q. So you were provided the actual
9 documents you looked at today as well as a two
10 page document kind of summarising what you will be
11 discussing today, or the questions you would be
12 asked today?

13 A. No.

14 Q. I am not clear. Start again.

15 A. I got copies of potential exhibits.

16 Q. Okay.

17 A. And I have a broad outline of the
18 topics, but not the questions --

19 Q. I see.

20 A. -- to be asked. Sort of, like
21 topics of issues.

22 MR CURRIER: That was from counsel.

23 MS LANE: Oh, I am sorry.

24 MR DODGE: I would raise an
25 objection to any questions relating to

1 Dr Adam Farkas

2 communications between Dr Farkas and attorneys
3 from White & Case.

4 MS LANE: That was not -- just to
5 be clear, that was not what I was trying to get --

6 MR CURRIER: I was presuming
7 that --

8 MS LANE: -- I was focusing your
9 attention to the conversations you had with
10 Mr Dodge. I am not asking you about conversations
11 you had with counsel.

12 MR SULLIVAN: No, that is okay. I
13 would like to know the basis for the assertion of
14 what appears to be a privilege since Mr Currier
15 said he is not here representing Dr Farkas in his
16 personal capacity, so what is the basis of the
17 relationship and the privilege that you are
18 relying on, Bob?

19 MR HILL: Furthermore, I do not
20 think it is the SEC's province to assert
21 privilege.

22 MR SULLIVAN: That is right.

23 MR DODGE: I can continue to assert
24 the objection to any communications between White
25 & Case and the witness. My understanding is that

1 Dr Adam Farkas

2 White & Case is representing the witness, whether
3 that is in his capacity as an individual or in his
4 capacity as a former member of the audit committee
5 to me is irrelevant, there is still an
6 attorney/client relationship there, and any
7 communications between White & Case and the
8 witness are privileged.

9 MR SULLIVAN: We have seen numerous
10 documents that have included representations by
11 White & Case in board of directors meetings, there
12 have been numerous questions that you asked about
13 what White & Case advised Dr Farkas, so we going
14 to reserve that objection. Are you directing the
15 witness not to answer?

16 MR DODGE: It is not for me to
17 direct him to not answer. I think that is for
18 Mr Currier to do.

19 What I will say for the record,
20 though, is that Magyar Telekom has waived
21 attorney/client privilege with respect to the
22 internal investigation at White & Case -- internal
23 investigation at Magyar Telekom in 2006, 2007, but
24 to my understanding there is no waiver of any
25 privilege with respect to the representation of

1 Dr Adam Farkas

2 Dr Farkas at this deposition.

3 MR KOENIG: Well, I just want to
4 put on the record, though, I do not think you can
5 select -- there is no such thing as selective
6 waiver. I also recall that Dr Farkas very
7 specifically earlier in his testimony started to
8 say the precise advice White & Case had given on
9 other matters, which also constitutes a waiver of
10 attorney/client privilege.

11 MR CURRIER: I do not think he ever
12 said that -- anything with regard to the specific
13 privilege of information that we conveyed in the
14 course of our communication with him alone or with
15 others subject to the privilege, and anything that
16 happened at the board meeting itself, obviously,
17 had other people present.

18 And with regard to this no question
19 has been directed to obtain a document prepared by
20 counsel to prepare Dr Farkas who was here in his
21 capacity as a former chairman, and that is the
22 capacity which we represent him in that status and
23 we did, indeed, prepare materials to help him get
24 ready for these proceedings. We consider it
25 privileged. I am instructing him not to answer

1 Dr Adam Farkas

2 any questions regarding that topic.

3 MS LANE: So my question, I am
4 getting back to my questions, perhaps I
5 misunderstood, I was asking for any documents that
6 Mr Dodge or representatives from the SEC had given
7 you to help you prepare for this deposition. I am
8 not asking right now about documents provided to
9 you by your own counsel.

10 Q. Did the SEC provide any documents
11 to you to prepare for this deposition?

12 A. Well, I...

13 MR CURRIER: Can I have a moment?
14 (Pause while Mr Currier and the witness confer)

15 (Off the record at 4.01 pm)

16 (On the record at 4.04 pm).

17 BY MS LANE:

18 Q. Dr Farkas, did you need the
19 question read back to you?

20 (Preceding question read back)

21 A. Mr Dodge provided me with a list of
22 exhibits or a list of potential exhibits,
23 including the documents themselves. I was
24 provided via counsel, but it was sent by the SEC
25 for my preparation last week ahead of the

1 Dr Adam Farkas

2 they define rules, protective rules to limit the
3 excess -- the management and the processing of
4 this personal data for various purposes. So that
5 is the -- I would say that is the framework of
6 these rules.

7 Q. To your knowledge are there any
8 penalties in the Hungarian data protection law for
9 people that violate that law?

10 A. Yes, of course, in line with the
11 European rules.

12 Q. And what are those penalties?

13 A. These penalties -- in extreme cases
14 they can be criminal penalties. So I would say
15 the data protection rules are relatively strictly
16 defined.

17 MR HILL: At some time in the next
18 five minutes or so can we take a break?

19 MS LANE: Can you wait 15 minutes.
20 Do you want to do it now? I have no preference.

21 MR HILL: Let us do it now.

22 (Off the record at 5.10 pm)

23 (On the record at 5.25 pm)

24 MR SULLIVAN: Before we begin I
25 have to make a request, it has come to my

1 Dr Adam Farkas
2 attention that during the last period of time
3 during which Dr Farkas was testifying, in the last
4 third or so, there was a note passed from Mr Dodge
5 to counsel for Mr Farkas at White & Case. Unless
6 I am missing something that would not be a
7 privileged communication, so we would request
8 production of that note as soon as possible.

9 MR CURRIER: Understood --

10 MR SULLIVAN: So when did you think
11 soon is?

12 MR CURRIER: -- it means you will
13 have it by the next break.

14 MR SULLIVAN: Thank you.

15 MR CURRIER: It is not a relevant
16 communication.

17 MR SULLIVAN: Maybe so, but we
18 would like to see it. Thank you.

19 MR CURRIER: I want to put on the
20 record that Dr Farkas would like to correct a fact
21 from his testimony that you were enquiring about.

22 THE WITNESS: I would like to
23 apologise. I made one mistake on a specific date
24 which I got advised from White & Case that I was
25 mistaken and I would like to correct that. It was

1 Dr Adam Farkas

2 the record for a moment. You probably should to
3 switch seats with me.

4 (Off the record at 6.33 pm)

5 (On the record at 6.43 pm)

6 MR DODGE: Before we resume the
7 testimony a request was made, I believe it was on
8 the record at an earlier point, this is Bob Dodge,
9 by the way, speaking, the request was for the
10 attorneys at White & Case to turn over a note that
11 I wrote to Mr Currier. The note was delivered in
12 the context of a discussion about, I believe it
13 was a request for the witness to provide copies of
14 billing statements if my recollection is clear. I
15 wanted to get a couple of things on the record.
16 The first is that I am aware of no legal basis
17 for -- that defence counsel take discovery of my
18 communications with counsel from White & Case,
19 however, in the interests of making it clear on
20 the record that there was nothing improper in the
21 note I will read the note into the record and
22 provide the original note to Mr Sullivan. The
23 note I wrote to Mr Currier states:

24 "The court lacks jurisdiction over
25 Farkas. He can provide docs voluntarily, but

1 Dr Adam Farkas

2 there is no obligation. You can just take the
3 request under advisement."

4 My intent in writing the note was
5 simply to simplify what had been, sort of, an
6 ongoing discussion over privilege issues.

7 Mr Sullivan, here is the note and with that I will
8 return the microphone to you for you to resume
9 your questioning.

10 MR SULLIVAN: I have my own mic,
11 but thanks for the note.

12 Good evening, Dr Farkas, I
13 appreciate your patience tonight. I am going to
14 try to be as focused and as succinct as possible.

15 A. Thank you very much. I am at your
16 disposal.

17 Q. I appreciate that. I am
18 Bill Sullivan. I have two lawyers here assisting
19 me. We represent Mr Balogh, as you know.

20 A. That is my understanding.

21 Q. Dr Farkas, you are an accomplished
22 man, fair to say?

23 A. I think it is not for me to judge.

24 Q. Well, let me say it, that you have
25 a PhD in finance and you attained that PhD summa